

TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION SPECIAL BUSINESS AND EXECUTIVE OPEN SESSION HELD ON JUNE 29, 2023 IN BATON ROUGE, LOUISIANA. PRESENT WERE: VICE CHAIRMAN MIKE FRANCIS, COMMISSIONER ERIC SKRMETTA, COMMISSIONER CRAIG GREENE, AND COMMISSIONER DAVANTE LEWIS.

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**
2 **SPECIAL BUSINESS AND EXECUTIVE OPEN SESSION HELD ON JUNE**
3 **29, 2023 IN BATON ROUGE, LOUISIANA. PRESENT WERE: VICE**
4 **CHAIRMAN MIKE FRANCIS, COMMISSIONER ERIC SKRMETTA,**
5 **COMMISSIONER CRAIG GREENE, AND COMMISSIONER DAVANTE**
6 **LEWIS.**

7 **VICE CHAIRMAN MIKE FRANCIS:** We'll call the meeting to order. Our
8 distinguished Chairman is ill this morning, so you got the Vice Chair to lead
9 [INAUDIBLE]. Let's open with a word of prayer. I'd ask Brother Craig Greene
10 to lead the invocation.

11 **[COMMISSIONER CRAIG GREENE LEADS IN PRAYER]**

12 **VICE CHAIRMAN FRANCIS:** And I did call the meeting to order, by the way.
13 Okay.

14 **[VICE CHAIRMAN FRANCIS LEADS IN THE PLEDGE]**

15 **VICE CHAIRMAN FRANCIS:** I believe we'll go ahead and go right into
16 executive session. Is that what you recommend?

17 **MS. KATHRYN BOWMAN:** Yes, sir. But let me read the in re real quick and
18 then I'll entertain a motion to go in. So it's undocketed, it is Exhibit Number 2.
19 It's a possible executive session to discussion litigation strategy pursuant to
20 Louisiana Revised Statute 42:16, et seq. regarding possible petition for review of
21 EPA Federal Implementation Plan. And I'll entertain a motion to enter executive
22 session.

23 **COMMISSIONER ERIC SKRMETTA:** Move to go into executive session.

1 **COMMISSIONER GREENE:** Second.

2 **VICE CHAIRMAN FRANCIS:** Moved by Commissioner Skrmetta, seconded

3 by Commissioner Greene. We'll go into executive session and we need to clear the

4 room.

5 **[OFF THE RECORD]**

6 **[BACK ON THE RECORD]**

7 **MS. BOWMAN:** Okay. So we are ready to come out of executive session. I'll

8 entertain a motion.

9 **COMMISSIONER GREENE:** Motion to come out of executive session.

10 **MS. BOWMAN:** Motion by Commissioner Greene to move out of executive

11 session.

12 **COMMISSIONER DAVANTE LEWIS:** Second.

13 **MS. BOWMAN:** Seconded by Commissioner Lewis.

14 **VICE CHAIRMAN FRANCIS:** Coming out of executive session, back into the

15 normal every day workweek here.

16 **MS. BOWMAN:** All right.

17 **VICE CHAIRMAN FRANCIS:** And we get to move into announcements. Is

18 everybody back?

19 **COMMISSIONER GREENE:** I'll just make one announcement. The reason

20 David Zito is not here is his wife should be having a baby any minute now, so we'll

21 have an announcement next meeting.

22 **SECRETARY BRANDON FREY:** I knew it was close. He called me the other

23 day and he said I've been trying to cut the grass before my wife goes into labor, so.

1 **COMMISSIONER GREENE:** But if you wanted to get her to go into labor, she
2 ought to cut the grass, and then she'll go into labor.

3 **SECRETARY FREY:** And we may have also another announcement here on a
4 baby. We will have one in August, too, because Tanika will likely have had --

5 **MS. BOWMAN:** Tanika has already had her baby.

6 **SECRETARY FREY:** She had her baby. Okay. Well, let's make that
7 announcement. We didn't make that announcement yet, did we?

8 **MS. BOWMAN:** Yeah. So Tanika Starks, who is our transportation attorney, she
9 had her little girl on Friday, June 16th, and they're both happy, healthy. Baby is
10 precious, very tiny, but they're good. So Tanika won't be back until about
11 September.

12 **VICE CHAIRMAN FRANCIS:** All right. Any other announcements?
13 Skrmetta's --

14 **COMMISSIONER LEWIS:** I'll give one, Mr. Vice Chair.

15 **VICE CHAIRMAN FRANCIS:** Okay.

16 **COMMISSIONER LEWIS:** I don't know if many of you have seen in the past
17 two weeks, there has been a growing complicated issue that has come before my
18 office that I wanted to just kind of bring awareness to. We have gotten multiple
19 complaints from tenants of apartment complexes, particularly around university
20 campuses with these third-party billing arrangements. Most of these apartments
21 are either forcing students into these agreements or not detailing the information.
22 We're working with Staff, we've been looking at this. Some of these bills that these
23 third-party individuals have been sending to tenants have been estimated of costs

1 of their usage. When parents or the tenant has requested information, this third-
2 party will not provide them with the actual bill. This has been very troubling to
3 me. I don't -- at this time, I don't think we have come up with a conclusion or a
4 solution and the Staff and I are still looking into this matter, but I wanted to bring
5 awareness to all Commissioners and then to also the public that we encourage
6 everyone to carefully review any agreement that you're asked to enter in with a
7 third-party billing arrangement. And then I also encourage all individuals to
8 maintain individual accounts with their utility provider. And so I will be working
9 on this issue and I just wanted to alert my colleagues and the public on this issue as
10 we try to figure it out.

11 **SECRETARY FREY:** And there was also a very good news article on this on the
12 local news. Commissioner Lewis gave a statement that really kind of let people
13 know the concerns with this issue as well, so that's out there. Was it WBRZ or
14 WAFB?

15 **COMMISSIONER LEWIS:** WAFB.

16 **SECRETARY FREY:** WAFB.

17 **VICE CHAIRMAN FRANCIS:** Now, a question about this. Is that in our
18 jurisdiction to be involved with this case like this? I mean, we got plenty of stuff
19 to do.

20 **SECRETARY FREY:** In my opinion, yes.

21 **VICE CHAIRMAN FRANCIS:** Okay. Good.

22 **SECRETARY FREY:** But we are still looking through this.

23 **VICE CHAIRMAN FRANCIS:** That's what I wanted to hear.

1 **SECRETARY FREY:** Yes, yes.

2 **VICE CHAIRMAN FRANCIS:** Okay. All right. I'm going to ask for a brief
3 recess until we get the final documents ready for this Exhibit Number 1. Is that in
4 order?

5 **SECRETARY FREY:** Sure.

6 **VICE CHAIRMAN FRANCIS:** Okay. Just a short recess here.

7 **[OFF THE RECORD]**

8 **[BACK ON THE RECORD]**

9 **VICE CHAIRMAN FRANCIS:** Call the meeting back into order and Exhibit 1
10 is at hand. Let me ask the Staff one thing, a question.

11 **MS. BOWMAN:** Yes, sir.

12 **VICE CHAIRMAN FRANCIS:** It's been brought to my attention that when we
13 stream our meetings, the prayer and the pledge are not the beginning of the meeting.
14 Why is that?

15 **SECRETARY FREY:** It's likely because we are doing it before we officially go
16 on the record. Is that -- I'm looking at Derick.

17 **MR. DERICK BERGERON:** It's just literally something that when I started
18 doing this, I was told to after the -- usually comes into session when you bang the
19 hammer [INAUDIBLE].

20 **MS. BOWMAN:** Yeah.

21 **SECRETARY FREY:** Yeah, so --

22 **MR. BERGERON:** That's the only reason.

1 **SECRETARY FREY:** Right, right. So if it's done after you bang the gavel, it
2 will be streaming. If it's done before, it wouldn't be streaming. That's when they
3 start streaming is when the gavel's banged.

4 **VICE CHAIRMAN FRANCIS:** Well, we open the meeting when the gavel is
5 banged.

6 **SECRETARY FREY:** Correct.

7 **VICE CHAIRMAN FRANCIS:** And then we do the prayer and the pledge and
8 they have not been streaming.

9 **SECRETARY FREY:** We do? Okay. Well, then --

10 **MS. BOWMAN:** We can change it.

11 **SECRETARY FREY:** Yeah, that's -- I mean, that's a simple fix.

12 **VICE CHAIRMAN FRANCIS:** Okay. We can change it?

13 **MS. BOWMAN:** Yes, sir.

14 **VICE CHAIRMAN FRANCIS:** Okay. Does any Commissioner have any other
15 suggestions on that? Are we all in agreement on that? Is it okay with y'all to stream
16 the prayer and the pledge?

17 **COMMISSIONER SKRMETTA:** Absolutely.

18 **VICE CHAIRMAN FRANCIS:** Okay. So it's done. From now on. Okay. Good.
19 All right. Let's open Exhibit 1. Ms. Bowman.

20 **MS. BOWMAN:** Yes, sir. So Exhibit 1 is Docket Number U-36385. It's
21 Southwestern Electric Power Company's application for certification of certain
22 renewable resources and approval of natural gas capacity purchase agreements. It's a
23 discussion and possible vote on an uncontested stipulated settlement. This was Exhibit
24 6 on the April 26th B&E and Exhibit 7 on the May 17th B&E. And on May 27, 2022,

1 SWEPCO filed an application seeking certification of a solar facility in Mooringsport,
2 Louisiana, two wind generation facilities, Wagon Wheel in Oklahoma, and Diversion
3 in Texas, totaling approximately 999 megawatts of new nameplate generation, and
4 certain natural gas capacity purchase agreements, for capacity planning years 2024
5 through 2026, to help bridge the gap until selected facilities are in service. Notice of
6 the application was published in the Commission's Official Bulletin and no
7 interventions were filed. Following discovery on SWEPCO's application and the filing
8 of direct testimony, SWEPCO and Staff reached an agreement and executed an
9 uncontested stipulated settlement filed into the record on March 10, 2023. The matter
10 was considered at the Commission's April 26, 2023 Business and Executive Session,
11 where it was denied. On May 5, 2023, SWEPCO filed a motion for rehearing and the
12 matter was again considered at the Commission's May 17th Business and Executive
13 Session. And on motion of Commissioner Skrmetta, seconded by Commissioner
14 Greene, and unanimously adopted, the Commission voted to grant the motion to rehear.
15 Commissioner Campbell made a motion to approve the uncontested stipulated
16 settlement subject to the following modifications and conditions: That the approval of
17 the SWEPCO's acquisition of the short-term natural gas capacity PPAs; move the
18 consideration of the selected solar facility and wind facility to either the June B&E or
19 a special meeting to be called, if needed; SWEPCO consider qualified unsolicited
20 offers for PPAs to compare the selected solar and wind facilities at either the June B&E
21 or a special meeting, if called; and the cost cap and minimum production guarantee
22 provisions be modified, if necessary, depending upon the selection in Paragraph 3.
23 After discussion, Chairman Campbell's motion was seconded by Commissioner
24 Greene, and unanimously adopted. On June 19, 2023, SWEPCO provided
25 Commission Staff its analysis of the qualified unsolicited offers for PPAs to compare

1 to the selected solar facility and wind facility pursuant to the Commission’s directive.
2 And on June 28, 2023, Staff filed a letter into the record along with a confidential memo
3 notifying the Commissioners and SWEPCO of its review and analysis of SWEPCO’s
4 June 19, 2023 analysis. Staff’s letter also provided the following recommendations:
5 Based upon a known need for capacity, a projection of net benefits provided for the
6 selected wind facilitates over their life, and comparison that SWEPCO has provided of
7 its selected wind facilities to available wind PPA options, Staff recommends
8 certification of the selected wind facilities in accordance with the Flex-Up provision
9 provided in Section 1C of the joint stipulation settlement, conditioned on the following:
10 1) The commitment that any future resources presented by SWEPCO to the
11 Commission include a solicitation of resources that includes the PPA options as
12 contained in Paragraph 2(a) of the stipulated settlement; that the provision of resource
13 specific cost caps as outlined in Staff’s memo as an alternative to the combined wind
14 and solar cost cap provided for in paragraph 2(d) of the stipulated settlement; that the
15 provision of the minimum production guarantees for Wagon Wheel and Diversion
16 provided for in paragraph 2(e) of the stipulated settlement; a guarantee of Premium
17 Tax Credit eligibility as provided for in Paragraph 2(c) of the stipulated settlement; a
18 required review by the Commission on the decision to retire Pirkey; SWEPCO
19 continuing to agree to the commitments made in settlement Paragraphs 1(d), (e), (f),
20 2(b), 3(a), (b), (c), and (d). SWEPCO also commit to propose a capacity allocation
21 mechanism that equitably allocates the capacity between its three jurisdictions with a
22 type of such mechanism being found by the Commission to be just and reasonable to
23 the Louisiana ratepayers after the Commission’s due deliberation in a docket opened
24 for such purpose. If SWEPCO refuses to make this commitment, Staff recommends
25 the Commission only approve the acquisition of Louisiana’s allocable share of the

1 selected wind facilities. And regarding the proposed selected solar facility, based on
2 the analysis provided, Staff cannot confidently state that the Mooringsport facility was
3 the lowest reasonable cost alternative. If, however, the Commission were to decide to
4 approve the Louisiana Mooringsport solar facility based on SWEPCO's assumptions,
5 Staff's sensitivity analysis, and the fact that it would provide economic benefits in
6 Louisiana, Staff recommends that the full reduction in pricing agreed to in the
7 stipulated settlement be applied to the Mooringsport solar facility such that its cost cap
8 would be the same dollar amount that SWEPCO used in its analysis of the selected
9 facility versus the PPAs. Staff recommends that the Commission accept the stipulated
10 settlement filed into the record on March 10, 2023, revised to include Staff's additional
11 recommendations and conditions filed into the record on June 28, 2023. And I do have
12 a motion by Commissioner Skrmetta.

13 **COMMISSIONER SKRMETTA:** Yes. Please read my motion.

14 **MS. BOWMAN:** Pursuant to the May 27th Commission directive, SWEPCO
15 evaluated PPAs and reported to the Commission Staff. Based upon the need for
16 capacity and the projection of net benefits provided from the selected facilities over
17 their life and a comparison to the PPA options, I move that the Commission approve
18 and certify the selected facilities and the flex-up and the other terms and provisions in
19 accordance with the uncontested stipulated settlement dated March 10, 2023, subject
20 to the following modifications: There is a cost cap on the Mooringsport solar facility
21 at the amount recommended by Commission Staff in the June 28, 2023 filing in this
22 proceeding. If the costs go over that cap and there are savings at the other two selected
23 wind facilities, those savings can be used to apply to that overage, but in no event shall
24 the cost cap be greater than the overall cost cap for the three facilities as agreed to in
25 the uncontested stipulated settlement agreement. However, in the event that the total

1 costs exceed the overall cost cap for all selected facilities, the Commission has the --
2 excuse me, the company has the right to petition the Commission for relief and the
3 ability to include such excess in rates. I further move that SWEPCO will evaluate
4 certain PPA bids as disclosed to Staff to potentially address future capacity needs and
5 report to the Commission on the progress. And I further move that by June 1, 2024,
6 SWEPCO will propose a capacity allocation mechanism to the Commission for review
7 and approval that equitably allocates capacity between its three jurisdictions.

8 **COMMISSIONER SKRMETTA:** That's my motion.

9 **VICE CHAIRMAN FRANCIS:** Motion by Skrmetta, is there a second?

10 **COMMISSIONER GREENE:** Second.

11 **VICE CHAIRMAN FRANCIS:** Second by Commissioner Greene. Is there any
12 discussion?

13 **COMMISSIONER LEWIS:** No, I would like -- but I would like to talk to SWEPCO.
14 But we can take the vote first.

15 **VICE CHAIRMAN FRANCIS:** Okay. And this --

16 **COMMISSIONER LEWIS:** I have no objection, but I just want to make some
17 comments.

18 **VICE CHAIRMAN FRANCIS:** Okay. No objection. So let's -- the chair calls for
19 a vote. Commissioner Lewis, are you for or against this?

20 **MS. BOWMAN:** If there's no objection, we don't need a --

21 **COMMISSIONER LEWIS:** [INAUDIBLE].

22 **VICE CHAIRMAN FRANCIS:** You don't need a roll call --- okay. No objection.
23 Okay. No roll call vote. Okay. Sorry about that. We call up SWEPCO.

24 **COMMISSIONER SKRMETTA:** You got it approved?

1 **MS. BOWMAN:** Yeah, so there's a motion, a second, and no objections, so matter is
2 approved.

3 **VICE CHAIRMAN FRANCIS:** Matter is approved, yes. Exhibit 1 is approved and
4 --

5 **MS. BOWMAN:** Commissioner Lewis would like to ask questions.

6 **VICE CHAIRMAN FRANCIS:** Okay. SWEPCO.

7 **SECRETARY FREY:** Just remember to identify yourself before you speak and sign
8 the little sheet up there.

9 **MS. BOWMAN:** Yeah, sign a yellow card if you're not an attorney. Bobby, you can
10 sign the clipboard.

11 **SECRETARY FREY:** You can do -- Brett, you can do that after you finish.

12 **COMMISSIONER LEWIS:** Thank you. Thank you, gentlemen. And I did go along
13 with this settlement because, one, I think you do have a capacity need and I think this
14 is a reasonable deal to take, but I just wanted to make some comments about how
15 frustrated I am with kind of how this entire process happened. And I don't think we
16 need to do this again. I felt we delayed information to our consultants, which delayed
17 information to us, which puts us, I felt, sometimes in a box. And I would appreciate
18 next time that we work in a better manner with our consultants, with our Staff, than
19 what we did in this deal. And while I am appreciative of your commitment to include
20 PPAs and further RFPs, I just want to get on the record that we are not going to
21 basically protract on that with some emergency capacity needs because based off your
22 projections, I mean, its shows that you're going to be short at the end of the decade.
23 And so I just want some firm commitments from you all that we will stick to PPAs in
24 future RFPs.

1 **MR. BRETT MATTISON:** Commissioner Lewis, if I could. I'm Brett Mattison with
2 SWEPCO, and let me address the first point you made. We will endeavor in the future
3 to ensure that we follow everything, make sure people are informed, communication's
4 flowing freely and timely, and we'll address that part of it. And we, as it said in the
5 motion including PPAs, we will also do that going forward in the future. I don't know
6 if Tom has anything he wants to say, but I wanted to make sure we got that out.

7 **MR. TOM BRICE:** Just echo and confirm Mr. Mattison's comments, Commissioner.

8 **COMMISSIONER LEWIS:** Well, thank you. And as I said, I think this is a good
9 deal, I just don't like how we got here. And I hope in the future we can improve this
10 process. So, thank you. Thank you, Mr. Chairman.

11 **VICE CHAIRMAN FRANCIS:** Okay.

12 **COMMISSIONER SKRMETTA:** Move to adjourn.

13 **VICE CHAIRMAN FRANCIS:** Move to adjourn by Commissioner Skrmetta.
14 Seconded by Commissioner Lewis. We're adjourned.

15

16 **(WHEREUPON THE MEETING WAS ADJOURNED)**

17

1 I certify that the forgoing pages 1 through 12 are true and correct to the best
2 of my knowledge of the Open Session of the Special Business and Executive
3 Meeting held on June 29, 2023 in Baton Rouge, Louisiana.

4 *****

5 **Rough Draft prepared by:**

6 *Kayla Fiorenza* June 29, 2023
7 **Kayla Fiorenza,** **Date**
8 **Court Reporter**

9 *****

10 **Proofed by:**

11 *Kathy Dykes* June 29, 2023
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14 **Finalized by:**

15 *Kayla Fiorenza* June 29, 2023
16 **Kayla Fiorenza,** **Date**
17 **Court Reporter**